

## Message Text

PAGE 01 JIDDA 00685 111102Z

11

ACTION SS-30

INFO OCT-01 ISO-00 SSO-00 NSCE-00 /031 W

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O 111026Z FEB 74 ZFF

FM AMEMBASSY JIDDA

TO SECSTATE WASHDC IMMEDIATE 6135

S E C R E T JIDDA 0685

EXDIS

E.O. 11652: GDS

TAGS: ENRG, SA, US

SUBJ: BILATERAL DEALS

REF: A) JIDDA 0018; B) JIDDA 0017; C) JIDDA 0586;  
D) JIDDA 0684

1. AHMED ZAKI YAMANI, SAUDI MINISTER OF PETROLEUM ASKED ME TODAY (FEB 10) WHY THE UNITED STATES WAS SO BITTERLY OPPOSED TO BILATERAL DEALS BETWEEN PRODUCERS AND CONSUMERS. HE SAID SECRETARY KISSINGER HAS TOLD HIM PERSONALLY AND QUIHA FORCEIBLY THAT THE U.S. WAS OPPOSED IN PRINCIPLE TO BILATERAL DEALS OF ANY SORT. HE SAID THAT HE HAD TOLD THE SECRETARY THAT THIS WAS TOO BAD BECAUSE THEY WERE GOING TO TAKE PLACE ANYWAY.

2. I REPLIED THAT I HAD SPOKEN AT THE OECD AGAINST SUCH DEALS TWO YEARS AGO AS DANGEROUS TO WORLD STABILITY; THEY COULD LEAD TO AN UNSEEMINGLY SCRABBLE FOR RESOURCES AND SKYROCK-ETING OIL PRICES. AND THIS HAS AHPPENED. FURTHER OBJDCTIONS TO THESE DEALS TODAY SPRANG FROM OUR RESENTMENT AT SEEING FRANCE, ENGLAND, JAPAN AND OTHERS SEW UP LARGE BLOCKS OF ARAB OIL WHILE WE ARE DOING THE REAL POLITICAL WORK FOR THE ARABS. THESE "FREINDLY" COUNTRIES WERE BEING REWARDED BUT WER NBNLY EXPENDING CHEAP WORDS.

3. YAMANI ASKED AGAIN WHY WE WERE TAKING THIS ATTITUDE; SAUDI ARABIA AND THE ARABS LOOK TO THE U.S. FOR INDUSTRIAL-  
SECRET

PAGE 02 JIDDA 00685 111102Z

IZATION AND OTHER SUPPORT. HE SAID THERE WOULD ALWAYS BE ROOM FOR ENGLAND, JAPAN, FRANCE AND GERMANY "BUT IT IS YOU WHO SHOULD BE MAKING THE MAIN PROPOSALS TO US. WHY AREN'T YOU?" I REPLIED THAT IN PRINCIPLE WE STILL OPPOSED BILATERAL DEALS.

IF ALL OTHERS MAKE THEM, HOWEVER, WE WILL BE FORCED TO RE-  
CONSIDER OUR POSITION.

COMMENT: YAMANI RAISED THE SUBJECT, NOT I. HE SEEMED MOST  
SINCERE IN HIS DESIRE FOR U.S.-ARAB COOPERATIVE EFFORTS IN  
THE INDUSTRIALIZATION OF SAUDI ARABIA. I WANT TO GIVE HIM  
SOME POSITIVE RESPONSE. WHAT IS THE STATUS OF THE PROPOSAL  
RAISED REF (A)?

AKINS

SECRET

<< END OF DOCUMENT >>

## Message Attributes

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**Concepts:** PETROLEUM, DIPLOMATIC DISCUSSIONS  
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**To:** STATE  
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